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THE NEED OF POSTAL REFORM.

BY THE HON. E. F. LOUD, CHAIRMAN OF THE COMMITTEE ON THE
POST OFFICE AND POST ROADS.

No measure of the same degree of public importance, particularly to the magazine and newspaper press of the country, has been so much misunderstood and so persistently misrepresented as the bill for post-office reform to which, as a matter of custom, my name has been attached. Were it not for such misapprehension, the committee of publishers who have charged themselves with the duty of defeating this measure would have found their task an exceedingly difficult one.

It is an acknowledged fact that the United States government is losing \$40,000,000 annually on the matter which it carries through the mails at the second-class rate of one cent a pound. This imposing fact, which is closely related to the increasing annual deficit of our post-office establishment, is sure some time to call for positive consideration. The bill under discussion aims simply to restrict the privileges of second-class matter to such publications as were evidently intended by the framers of the original law. The measure itself contains nothing new and, above all, wages no war on the legitimate press. It has been endorsed by the American Newspaper Publishers' Association, representing 80 per cent. of the daily circulation of the country, at its last two annual meetings; by the Illinois State Press Association; by the Agricultural Press League; by the American Trade Press Association; by the Chicago Trade Press Association; besides almost numberless commercial and trade organizations. The bill has been steadily before Congress in its present shape for more than two years, and on January 6, 1897, passed the House of Representatives by a decisive vote. Hearings were given before the committee of the Senate; but, as less than two months of the expiring Congress re-

mained after the bill came to the upper chamber, it failed to reach a vote there. The absence from this country at the time of Senator Wolcott, Chairman of the Committee on Post Offices and Post Roads, and one of the most earnest advocates of the bill, accounts in large part for this result. These observations are made merely to show that the measure is not a new one, as many of its opponents assert, and that no feature of it has failed to receive the fullest investigation. In this light it is sad to contemplate the alarm of the publishers' committee that the press of the country came so near being wiped out of existence without knowing that a measure for its destruction was contemplated!

The first substantial exclusion from the second-class rate, which the bill contemplates, is that of novels, upon which the government loses at a conservative estimate eleven cents a pound. It is safe to say that it was never intended to admit these to the pound rate. It was by construing the law and not following its obvious intent that such works of fiction, when issued in the form of serials, have been admitted. There is apparently no reason why so-called literature, good and bad, when served in this form, should be carried at a rate one-eighth that charged for mailing Bibles, dictionaries, school books, and other works of general literature. Twenty years ago nobody had any doubt as to what constituted newspapers and magazines within the meaning of the law, but some publishers have so enlarged the meaning of these terms that they can now hardly be recognized by their closest friends. And yet these publishers have become so intrenched in the positions they enjoy that they say we should not disturb "vested rights," that we should take no backward step, even to save the Treasury from bankruptcy. They imply that as a result of their enjoyment of this privilege good literature has been made so cheap that the poor farmer's boy at the edge of the backwoods now has his library. But they neglect to point to the tremendous fall in the price of paper, the invention of the type-setting machine, and other economies in the art of printing, which are the real means of bringing literature within the reach of those who formerly could not possess it. A late member of the publishers' committee opposing this bill has stated in a recent magazine article that the serial novel has fulfilled its mission of educating the masses and is now gradually ceasing to be a weighty factor in the mails. If that be true, no one should

seriously object to the first section of the bill, which will transfer these novels from the one cent to the eight cent a pound rate, and so accomplish at once, so far as the mails are concerned, what, according to this contention, is bound to come about in time even if nothing is done.

A second section of the bill would eliminate from the pound rate privileges sample copies, and levy a charge of one cent for four ounces upon unsold copies of newspapers and periodicals returned to agents or publishers. Heretofore no right of return at less than eight cents a pound has been granted to publishers, the news companies enjoying to themselves this privilege of returning at one cent a pound. The compromise is, therefore, a concession to the great body of publishers. The right to send out magazines and newspapers to regular subscribers at the one cent rate is, of course, undisturbed, as is also the weekly free distribution of country newspapers to subscribers within the county in which they are issued. But it is the striking out of the sample copy privilege that has excited against the pending bill the most serious opposition. This is a privilege which has been a most fruitful source of abuse. Journals supported wholly by advertisements are able to flood the country with millions of pounds of matter, which is in no sense the dissemination of either current literature or of news, other than such news as this class of advertising may convey. The philanthropic lobby opposing the bill ask us to prevent this abuse, but still to leave the privilege open to the legitimate publications. But human ingenuity is too sharp to make it safe to leave any loop holes. To frame a law which shall clearly define what constitutes a periodical is a difficult task; the line of demarcation between different grades of publications is so faint as to make such restrictions impracticable. There is, however, one vital underlying distinction which may be made a working basis of intended reforms. The legitimate publications exist by reason of a paid subscription list; the others by a subscription list only nominal, together with an enormous circulation of sample copies, running up in certain instances to hundreds of thousands. Since the circulation governs the advertising rates, some of these papers, which have practically no genuine paying subscription list, are able to command as high as \$4,000 a page per issue for their space. It seems hardly right that the government should

subsidize to so great an extent this method of advertising, when it leaves the owners of bill boards and stereopticon devices standing on their own business merits.

Students of the postal problem for many years have agreed that this was the kind of matter which should be excluded from the second-class privilege, before the postal deficit became so heavy as to break down with its own weight that important branch of the service. It was the unanimous opinion of the executive committee of the American Newspaper Publishers' Association that no measure more liberal in its scope than this would accomplish anything, although the writer of this article was at that time willing to concede a percentage of sample copies, based on actual subscriptions, and this is what the country press are now asking. But simple as this would seem, further investigation has shown that this privilege when once granted would open the sluice-ways. The publication which is now monthly would probably become a weekly, the weekly a daily, and in that way evasions would be discovered for multiplying by four or by six the sample copy percentage intended. Another plausible suggestion is that the sample copy privilege should be unlimited for country papers within the county of publication. But once grant even this privilege, and how easy it would be for the advertising sheet to be admitted and published in the country town, side by side with the legitimate local newspaper, and thus find its way into every household free. It has, therefore, on second thought been deemed best to strike at the root of the sample copy privilege, even though to a certain extent the innocent must thereby suffer with the guilty. The advantage to the legitimate publishers of cutting out these free sample-copy periodicals would be so great as to compensate them for the extra cost of mailing their own samples.

A third section of the bill substantially repeats the existing law, except that publications of incorporated colleges, State Medical Boards and State Agricultural Societies are not allowed to mail their publications at pound rate to others than to legitimate subscribers. The incorporated college is in most instances a commercial concern doing business for profit, and the periodical which it issues is for the purpose of attracting patronage to it. This is clearly a legitimate and an honorable business; but why should the United States government subsidize it by con-

tinuing to carry such publications at a loss of eleven cents per pound. The fact that schools are supported at public expense does not apply as an argument, for it is only where the supervision and management are in the hands of the tax-paying public that such an expense is entailed.

Another section of the bill contains a proviso that extra numbers of any periodical sent out by the publisher to addresses furnished by an advertiser shall pay postage at the rate of one cent for four ounces. To this proposal there is little objection, as in such cases the publisher merely acts as the distributing agent for the advertiser. It is further ordered that it shall not be permissible to mail any article or any part of a periodical separated from the rest of the publication, except at the third-class rate. This proviso is necessary to prevent the circulation of serial novels at the pound rate as supplements, or prizes, in connection with a newspaper. Second-class rates are still to be allowed to fraternal societies and trades unions, whose publications are paid for from a general fund rather than by direct personal subscription.

Perhaps the words, "and must have a legitimate list of subscribers who voluntarily order and pay for the same," have excited the most opposition and the bitterest comment upon the pending bill. But even this is not new legislation. The language is taken from the present regulation defining a subscriber, and yet the so-called publishers' committee are shedding tears of anguish over the fate of the poor country editor who will be required to get his pay in advance from his subscribers or place a one-cent stamp on each copy. No doubt, the interpretation by interested parties of other statutes which have been many years in existence and have proved innocent in their operation would be startling! Many penal statutes would doubtless appear unduly harsh if the offender suffering under them were allowed to define their meaning and intent. Under the law, to subscribe must be a voluntary act, and a subscriber one who accedes to certain conditions. In the case of a periodical, a subscriber must be one who pays for the same, not necessarily in advance but at a time within reason, according to the rules that govern ordinary business transactions. Nothing is to be feared from this proviso that does not apply to the letter, the interpretation, and administration of the present law, and the misrepresentation it has occasioned can have no other purpose than to deceive. This is a

conspicuous feature of the circulars with which the country is now being flooded from the lobby maintained to defeat this measure.

The people who send first-class matter—ordinary letters and postal cards—and who make up the postal deficit, are entitled to some privileges. They pay annually about seventy million dollars upon as many pounds of matter, as against the three million dollars which 365,000,000 pounds of second-class matter yield, or a dollar a pound for one as against a cent for the other. Unless the second-class privilege is restricted to its legitimate uses the time will come when the tax-paying public will go beyond the point of reason and equity in correcting this disparity, and all publishers will suffer the penalty of wrongs too long unredressed. In 1890 this country agreed, with others assembled in Postal Union, to give such delivery of mail matter here as the other countries had given to their people. England, France, Germany, Belgium, Austria-Hungary, and Switzerland have at least one free delivery of mail per day. Eight years have passed, and yet only last year did this country make a substantial beginning on rural free delivery. While we doubtless have a right thus to break faith with the foreign countries involved in such a trade as this, we have no right in equity to deny such delivery to our own people when they pay so roundly on first-class matter. But free delivery cannot be made general so long as second-class matter continues this great drain upon the Treasury.

Another section of the bill enacts a regulation of the Post Office Department, by which it may require partial separation of periodicals before mailing for convenience of handling. Many large publishers already do this to expedite delivery. The section is permissible, not mandatory. This is one of the points held up by the lobby to the country publisher as a great hardship, and it must indeed be a telling argument with the man who has a circulation of 400 copies, most of which go to one town, and for which he pays the government nothing! It stands to reason that this regulation will be of use to the department only in dealing with the large publishers who have a considerable circulation along many postal routes.

A favorite form of opposition to these postal reforms is the argument that something else should be done instead. It is granted that the deficit should be reduced; but opponents of the bill say, why not make the saving somewhere else? Why not

abolish the franking privilege, which costs the government perhaps \$10,000,000 a year? Why not reduce the compensation which the railroads receive? Along both these lines substantial reforms might and should be made, and they have the hearty support of the writer; but it is no argument against one remedial measure to say that others should be attempted. Not everything can be done at once. Practical reform consists in attacking the enemy's works in detail, breaking the weakest and most vulnerable points first, and so proceeding to a desired completeness. While some restrictions could doubtless be made to advantage in the matter of franking, it should not be overlooked that if Congress made an appropriation for the mailing of public documents, etc., it would be simply changing money from one pocket to another. The general public seem to want these government publications and gratuities, and so they should pay in one form or another for their dissemination. There is also some tendency to confuse public with private interests, and to assume that, because the government is entitled to a certain privilege, private interests should be allowed the same.

It is doubtless true that the compensation now received by the railroads is excessive. When we consider that the railroads aided by land grants, which under the law receive but 80 per cent. of the regular compensation, are at that rate active and zealous competitors for the postal business, it is apparent that a general revision is advisable. Some newspapers assume to solve this whole question with one stroke of the pen by saying: "Railroads are paid eight cents a pound for carrying the mail; they should be cut down to one cent, the rate for which they now carry freight. This would stop the deficiency, and so solve the problem." This solution, plausible as it is, does not possess even the advantage of correct premises. Eight cents per pound, it is true, is the price which it costs the government to "transport" all its mail, but unfortunately for the calculations of these wise men there are many other items in the cost of transportation besides the railroad. Such misstatements, however, are probably not due to ignorance, since it is now exceedingly popular to put upon the shoulders of the railroads the ills we bear. As a matter of fact the railroad companies are paid about five cents a pound. It should not be overlooked in these discussions that the government has no power to compel railroads, except

those aided by land grants, to carry the mails at any figure which they will not deem profitable. This perhaps might be a serious objection to reducing the mail rates to the level of those paid on freight without consulting the interested parties. The railroad companies are obliged to deliver mail to post offices within a distance of one-quarter of a mile of the station, which is a large item when we consider the thousands of post offices for which such service is performed. The government pays annually one million dollars for a similar service beyond the eighty-rod limit, and it is the obvious policy of the department to place offices within rather than beyond this boundary. Railroads also furnish expensive office room in the larger cities for the separation of mails, and the fact that mail is carried in odd and small lots over thousands of miles of road and under varying conditions makes it impossible to compare its proper cost with that of ordinary freight. The mails are carried on the fastest and most expensive trains, and in parcels as small as ten pounds. Freight is carried in carload lots of fifteen to twenty tons, while a postal car rarely carries more than four tons, and over the roads that carry the mails in such quantities the maximum rate is \$17.10 a ton for 730 miles on "land grant" and \$21.37 on other roads. But even if the railroads gave absolutely free transportation, a loss, by most conservative estimates, of \$17,000,000 annually from handling second-class mail would result.

The great underlying principle beneath our proposition is justice. Patrons of the post office should be treated equally under the law, and the beneficiaries of the tax-payers' bounties should be those interests which it is acknowledged public policy to promote. While the newspapers and magazines as educators and moulders of public sentiment are doubtless entitled to certain privileges, this theory does not involve as a logical consequence that the government should carry rubber boots through the mails at a great loss, even though an old almanac joke were pasted on the left heel. One reform at a time, and the postal business will eventually be conducted on a business basis. The current annual deficit and the outrageous inequalities of the present system, which necessitate a denial of rural free delivery and render a reduction of postage impossible, are making themselves heard as arguments for reform.

E. F. LOUD.